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November 24, 2010

The Honorable Jocelyn G. Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
Post Office Drawer 11649  
Columbia, SC 29211

***Re: Public Service Commission Docket No. 2007-414-WS, Performance Bonds***

Dear Ms. Boyd:

The undersigned is filing this letter on behalf of CK Materials, LLC ("**CK Materials**"), and its wholly owned subsidiary, Daufuskie Island Utility Company, Inc. ("**DIUC**"). This letter is in response to the Public Service Commission's Order No. 2010-767, whereby the Public Service Commission requested a status report on the bonding activity of DIUC and CK Materials.

Upon the merger of the various utility companies owned by CK Materials this September we requested revised Letters of Verification from the bonding agent, J. Smith Lanier & Company, who services the performance bonds maintained by CK Materials. At the same time such Letters of Verification were requested CK Materials also began looking to replace its current surety, Merchant Bonding Company. This has led to a delay in the issuance of the new Letters of Verification while the new information regarding the merger is processed by J. Smith Lanier & Co. and a new surety is put in place.

On November 5, 2010 Merchant Bonding Company issued a Notice of Cancellation from the two performance bonds currently in place for DIUC. The current bonds will expire no earlier than January 4, 2010. DIUC and J. Smith Lanier & Co. have advised the undersigned that new bonds will be in place prior to the expiration of the current bonds. The managers and agents of DIUC are diligently working to obtain the requisite bonds as quickly as possible. Such new bonds will name DIUC as the principal instead of CK Materials; in keeping with CK Materials' stated goal of having DIUC be the sole entity involved and responsible for the utilities located on Daufuskie Island.

Yours very truly,

**NOVIT & SCARMINACH, P.A.**  
*Attorneys at Law*

The Honorable Jocelyn G. Boyd  
November 24, 2010  
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**NOVIT & SCARMINACH, P.A.**

A handwritten signature in black ink, appearing to read 'Duncan Teed', with a stylized flourish extending to the right.

Duncan Teed

c: John F. Beach, Esquire  
Mr. Willie Morgan, Office of Regulatory Staff  
Mr. Jaime J. Karabinchak